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# FOREIGN

## AGRICULTURE

JUNE  
1957



Cutting Sugarcane, Barbados

**Caribbean Vacationland—a Growing U.S. Market**  
**Coffee and the U.S. Farmer**  
**Inside Communist China**



UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE



# FOREIGN

## AGRICULTURE

VOL. XX . . No. 6 . . JUNE 1957

To report and interpret world  
agricultural developments.



### Washing Machines and Agricultural Exports

"The other day, I came across a rather unusual example of how industrialization and improved standards of living broaden markets for agricultural commodities.

"We have had a very sharp increase in exports of tallow to Japan, jumping from 50 million pounds to 200 million pounds in the space of 4 years.

"Now what do you suppose accounts for this increase? The answer is washing machines.

"In 1949, Japan produced 364 washing machines. Thereafter, production increased rapidly, and today over one million machines are in use. About 90 million pounds of soap powder a year are required to feed these machines. This was the single biggest factor affecting our exports of tallow. It clearly illustrates that when people raise their standard of living, they become better customers for farm products."

—Secretary of Agriculture Ezra Taft Benson, in talk before International Federation of Agricultural Producers, Purdue University.

### Cover Photograph

Sugarcane harvest in Barbados, British West Indies. Sugar is the main export of the Caribbean Islands—a favorite vacation spot of Americans and a bigger buyer of U.S. farm products than Brazil and Argentina combined. (Photo courtesy of Barbados Publicity Committee.)

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Photos courtesy of Netherlands West Indies Tourist Bureau

# *The Caribbean* **A Growing Market for U. S. Farm Products**

By A. G. SANDERSON  
Latin America Analysis Branch  
Foreign Agricultural Service

**T**HE TIDE of tourism is flowing to the British, French, and Netherlands possessions of the Caribbean and is adding impetus to an already expanding market there for U.S. foods. With their new luxury hotels, these islands of the West Indies are fast becoming America's favorite playground. The Bahamas, the Guianas, and Bermuda, though not strictly in the Caribbean area, are also feeling this influx of tourism and trade.

Ever since World War II the Caribbean market has been expanding. In 1938 U.S. agricultural exports to the area totaled just a little over \$6 million. In 1955, they amounted to approximately \$29 million—or more than the combined value of our agricultural exports to Brazil and Argentina.

The economy of the Caribbean islands is predominantly agricultural and, in general, they depend on agricultural products for exports. Most of their agriculture, however, either sup-

plements or complements U.S. production. Their principal export is sugar. Important also are bananas, cacao, coffee, and spices. And in a few products, such as citrus fruit and rice, they compete with the United States.

Though largely dependent on agriculture—and in spite of postwar production increases—the region is not self-sufficient in foodstuffs. It still imports as much as it exports. And some islands must buy the bulk of their food requirements. Only British Honduras, the Guianas, and Trinidad have extensive land available for agricultural expansion, but on many of the islands 5 or 10-year programs are either under way or are being planned, which will increase productivity and boost the standard of living.

As living standards reach a higher level, food imports will go up. Yet at the present time the two factors that seem most indicative of the continued growth of this market are the expand-



Sunny skies and sandy beaches have caused a tourist boom in the Caribbean, which is helping expand the market for U.S. foodstuffs.

ing population of the area and the current tourist boom.

When disturbances in the Mediterranean caused U.S. tourists to seek playgrounds nearer home, these islands, with their charm and simplicity, offered a peaceful haven. In the Bahamas, Trinidad, Jamaica, and the Netherlands Antilles, luxury hotels are being built to accommodate them. And as American dollars flow into these islands, the islanders will not only benefit economically but will spend these dollars to import the foodstuffs and other goods to furnish the conveniences the tourists require. With the increased supply of dollars, it is reasonable to expect that at least a portion of the larger imports will come from the United States.

## **U.S. as a Supplier**

The United States has been one of the three major suppliers of imports into the Caribbean market. The other





Setting out coffee beans to dry along the road. *Right*, Barbados youngster eats sugarcane instead of lollipop. Sugar is the area's leading export. Though largely agricultural, the Caribbean is not self-sufficient in food.



Courtesy of Barbados Publicity Committee

two are the United Kingdom and Canada. The value of U.S. exports to the Caribbean has more than doubled since 1938, and an increasingly greater percent of the total each year has been for agricultural products. In 1955 the agricultural exports valued at \$28.7 million exceeded the 1954 value by 9 percent, the 1950 value by 52 percent, and the 1938 value by 350 percent.

In order of importance, the principal U.S. agricultural exports to the area are wheat flour, meat and meat products, feeds and fodders, and dairy products. Wheat flour exports rose from \$1.4 million in 1938 to \$15.6 million in 1955; meat and meat products from \$1 million to \$5 million; feedstuffs from less than \$500,000 to \$3.3 million; and dairy products—principally dried and condensed milk and cheese—from \$270,000 to \$1.6 million. While Canada is the major supplier of unmanufactured tobacco to the Caribbean, U.S. shipments have increased 70 percent in value since 1938.

### Leading Markets

The Netherlands Antilles, Jamaica, and Bermuda have consistently ranked as the largest markets for U.S. farm products in the Caribbean possessions. These three take well over half of all

our exports to the area. The Netherlands Antilles leads. In 1955 its imports of U.S. wheat flour totaled in the neighborhood of a half million dollars, with fresh poultry a close second. In quantity, rice and citrus fruits were ahead.

Jamaica is our second market in the area. Wheat flour, valued at \$3.1 million, was the principal item supplied, with nonfat dry milk and inedible tallow next in importance.

Our third market is Bermuda. Fresh poultry exports to Bermuda in 1955 amounted to nearly a half million dollars. Meats and meat products were slightly over \$400,000 and mixed dairy and poultry feeds slightly under that amount.

For most of the Caribbean coun-

**TOTAL U.S. AGRICULTURAL EXPORTS TO THE CARIBBEAN AREA, SELECTED YEARS 1938-55**

Possessions	1938 1,000 dol.	1950 1,000 dol.	1954 1,000 dol.	1955 1,000 dol.
Netherlands Antilles	1,741	8,780	7,619	7,428
Jamaica	727	2,667	5,505	5,870
Bermuda	867	1,596	3,001	3,442
Trinidad	631	624	2,703	3,111
Bahamas	500	1,259	2,331	2,597
British Guiana	216	604	2,065	2,645
Surinam	187	794	1,194	1,101
Other	1,493	2,478	1,736	2,554
<b>Total</b>	<b>6,362</b>	<b>18,802</b>	<b>26,154</b>	<b>28,748</b>

tries, wheat flour is the leading farm import. Jamaica, the largest importer of this commodity in the area, obtained about 62 percent of its total supply from the United States in 1955, as a result of an additional dollar allocation for imports. Trinidad's flour imports from the United States in the past have ranged from 1 to 5 percent of the total. In 1955 the U.S. share increased to 16 percent, as the ending of bulk purchases and subsidization of flour imports opened the market to American flour. Canada's share was 81 percent. However, in the Netherlands Antilles, the United States was the major supplier of flour, and Canada second.

### West Indian Federation

The spirit of nationalism and political consciousness now existing in other parts of the world has reached the islands of the Caribbean. The Caribbean Commission has taken part in the rapid development of these islands by helping them to be aware of their common problems—their weaknesses and strength. As a result, the British islands have agreed to federate under the name "The West Indian Federation," and have selected Trinidad as the seat of their capital.

(Continued on page 20)



German food-store proprietor and poultry specialist on the staff of the U.S. Agricultural Attaché in Bonn, Germany, discuss dressed poultry imported from the U.S. Promotion under P.L. 480 has sold more than a million dollars worth of U.S. poultry products to Germany.



# Our Surplus Products Have Helped Develop Markets Abroad

By Saul M. Katz

Foreign Trade Programs Division  
Foreign Agricultural Service

**T**HREE YEARS ago the U.S. Congress passed what is commonly called Public Law 480. Its major purpose is to reduce U.S. farm surpluses by selling them to countries that need them but, lacking dollars, can pay only in their own currencies. Today these currencies are being put to many good uses. For the U.S. farmer the most important of these is to develop commercial markets abroad for our farm products—markets that may further reduce our surpluses.

In September 1955 the first foreign currency funds became available for market development. By April 1 of this year we had started some 70 projects in 22 countries. These projects involve the equivalent of around \$9 million, and are benefitting such leading U.S. export crops as wheat, cotton, tobacco, dairy products, soy-

U.S. Maid of Cotton discussed cotton fabrics in Brussels and other European cities last year.

beans, poultry, fruits, tallow, beans, feed, rice, seeds, and lard.

The strength of the program lies in its emphasis on private industry. U.S. surplus farm commodities are sold to foreign countries through private trade channels. And in our efforts to develop new markets, we work with trade groups, both in this country and abroad. To date, some 21 U.S. trade organizations have helped carry out specific projects. The financing is also cooperative. We supply part of the money from P.L. 480 foreign currency funds, and the cooperating groups the rest. Their share has amounted to

about 30 percent of the \$9 million noted above.

## Flexibility Essential

The projects have varied considerably. In setting one up, we consider the market, the commodity, and the resources of the trade groups concerned. We also decide whether we are aiming for immediate or long-run results. Procedures were specifically designed to permit this flexibility. Any recognized technique is usable, provided it will contribute to expanding commercial exports for U.S. farm products. There are certain limitations,



of course, as there always are with the expenditure of public funds.

In selling any product the first step is to survey the potentialities of a specific market and determine the best means of fulfilling them. Market surveys are to some extent a part of all projects; so far, 10 projects have been exclusively studies of this type.

For example, two University of Kentucky agricultural economists, in cooperation with the U.S. tobacco trade and the Spanish Tobacco Monopoly, studied Spain's tobacco market. Preliminary findings indicate that the Spanish prefer cigarettes made from U.S. leaf. Further, more American-type cigarettes at competitive prices would increase sales, the Spanish Government would gain more tax revenue, and imports of U.S. tobacco would expand. Another survey, made by a three-man team representing the U.S. dairy industry, found that Colombia offered market possibilities for milk and dairy products.

Exchange visits by market specialists and key businessmen are also proving successful. Twelve of the projects were devoted entirely to this method of acquainting foreign buyers with our products. Two representatives of the National Renderers' Association went to Japan to boost sales of U.S. inedible animal fats. They found the Japanese had complaints about quantity and quality of shipments. Some of the difficulty was caused by their not understanding U.S. methods of measurement and testing. But some of it was our fault too; the quality was uneven. In Japan our tallow representatives showed importers U.S. techniques. In this country they talked with producers and shippers and showed them through slides and pictures what was wrong. Both sides cooperated to iron out these problems—and Japanese acceptance of our tallow improved. Also, after a group of Italian wheat specialists visited our Middle West, favorable articles appeared in Italian trade papers on the commercial use of U.S. hard red winter wheat for pasta.

### Education

Education of consumers and processors is still another important tech-

nique. Nine of the projects have concentrated on this. In Thailand a project is under way to educate consumers on the advantages of recombined milk, now being commercially produced at a new plant in Bangkok. Samples were distributed at the Bangkok Fair. This is being followed up with over 1.3 million free 8-ounce additional samples to schools and hospitals, and with lectures, pamphlets, and demonstrations. Wheat in Japan is also being promoted educationally. Japanese organizations, working with the Oregon Wheat Growers' League, have built a promotional program around mobile kitchens. These kitchens tour the Japanese countryside, showing housewives how they can use wheat to produce more balanced meals.

Advertising, a well-known U.S. method of expanding markets, is the basis of two projects. In Japan, for instance, advertisements featuring Jap-

### Trade Groups Cooperate On Foreign Projects

Credit for much of the success of agricultural market development projects abroad goes to U.S. trade groups. While FAS provides the foreign currency, these groups supply the dollars needed and do a good share of the work. Those that are already cooperating include:

National Cotton Council, Dairy Society International, Oregon Wheat Growers' League, Millers' National Federation, National Renderers' Association, Leaf Tobacco Exporters' Association, Inc., Tobacco Associates, Inc., Burley and Dark Leaf Tobacco Exporters Association, Inc., Institute of American Poultry Industries, American Soybean Association, Inc., Rice Export Development Association, American Meat Institute, Western Bean Dealers Association, California Prune Advisory Board, Farmers' Hybrid Popcorn Growers Association, California Raisin Advisory Board, Soybean Council of America, National Association of Food Chains, Nebraska Wheat Commission, Holstein-Friesian Association of America, Inc., and National Milk Producers Federation.

anese cigarettes made with U.S. tobacco have substantially increased sales of three brands of these cigarettes. Indications are that consumption of U.S. tobacco in Japan during 1956 was over 10 percent above that of the previous year.

Publications promoting the use of our farm products are also being produced abroad with foreign currency. A catalog showing the varieties and grades of U.S. fruits available for export is to be distributed to foreign buyers in various European countries. And U.S. wheat is the subject of an Italian publication.

### Showing the Product

Probably the oldest way of expanding sales of a commodity is actual demonstration of its qualities. European women last year attended fashion shows where the U.S. Maid of Cotton displayed clothes made of cotton fabrics. So successful was this idea that it is now being repeated. Another kind of demonstration took place in Peru. U.S. cattle were flown down for showing to Peruvian cattle breeders. When the cattle were auctioned off, they brought very favorable prices. And this has been followed up with further purchases in the United States.

And, of course, the international food and trade fairs have exhibited U.S. products to millions of people around the world. U.S. farm commodities have been featured at 18 of these fairs in Cologne, Bogotá, Barcelona, Osaka, London, Salonika, Zagreb, Bangkok, and other cities.

In addition to these somewhat specialized types of promotion, there have been some 14 comprehensive projects, most of which are still going on. These projects make use of all the techniques—surveys, education, demonstrations, and so forth—and their goals are usually long-range ones.

Typical are the cotton market development projects in France and Japan which are helping develop wider use of cotton. With France as a world fashion center, and Japan one of the world's largest producers of textiles, these projects have a rich field to cultivate. It's still too early to gage the results; nevertheless, the Japanese

*(Continued on page 20)*





This picture of cotton bales at Shanghai harbor, like the other pictures on this page, was taken in 1956 by a Japanese traveler. China both grows and imports cotton.



Chinese workers move soybeans from rail to ship, Dairen harbor. Manchurian soybeans are appearing in world markets again and competing with the U.S. industry.

## A Glimpse at *Communist China's Farm Economy*

Modern machinery is used in this corn field on a National Farm (*left*). More typical of farm equipment in China, however, is that on the cooperative farm near Peking (*right*)—the two-wheeled cart and, for draft power, the donkey.



National ramie factory at Harbin (*above*); ramie is one of China's main fiber crops. (*Below*), flour is bagged in a Shanghai mill.







Federal plant quarantine inspectors in Arizona examine cantaloupes just brought across the Mexican border.

# How We Check the World Spread of Agricultural Pests

**F**AST-MOVING air transport systems have greatly increased the threat to agriculture from the world-wide spread of destructive pests. Last year 58 percent of the livestock and 33 percent of the poultry coming into the United States arrived by air. More than 104,000 airplanes were inspected to intercept plant and animal pests and diseases from foreign countries.

World-wide transportation systems make possible the movement of diseased animals and plant pests and diseases from the far corners of the earth in a matter of hours. We no longer have such barriers between continents as slow boat schedules which allowed time for an animal disease to show visible symptoms before arrival.

The increased speed of transportation is new, but the world exchange of agricultural products and the need for protection against the spread of insects and disease has been with us for a long time. The beginnings of farming in the United States were made with the plants and animals brought from the Old World—and with them, their pests and diseases.

Our present export inspection and animal disease eradication program stemmed from the British action in 1879 prohibiting the importation of

By VIRGINIA G. TATUM  
Agricultural Research Service

American cattle and beef because of an outbreak of contagious pleuropneumonia that was spreading rapidly through American herds and, through exports, threatening British cattle. Other countries soon followed the British example to protect their herds. The loss of foreign markets combined with losses from the disease posed a serious threat to the growing cattle industry of the United States.

In answer to the need to protect our livestock industry the United States Government in 1884 created an organization to wipe out this and other contagious diseases. Pleuropneumonia was officially declared eradicated 8 years later. Since this action in 1884 the veterinary medical organizations of the U.S. Department of Agriculture have been responsible for administering export and import regulations affecting animals and their products.

Today all U.S. farm animals offered for export must be inspected by a veterinarian and declared in sound health before leaving the point of origin. At the port of embarkation, the animals

must pass a second inspection. Cattle are required to be tested for tuberculosis and brucellosis. Poultry must meet the health requirements of the country of destination.

## Animal Diseases

To protect against the introduction of foreign diseases into the United States, the Department's animal quarantine officials cooperate with plant quarantine inspectors and U.S. customs officials in the inspection of incoming baggage, cargoes, and vehicles. No susceptible animals or their fresh, frozen, or chilled meats are accepted from countries in which rinderpest or foot-and-mouth disease exist. Other animals and poultry for import are required to be held under quarantine to determine that they are not affected with a contagious disease. They must be accompanied by a certificate, signed by a veterinarian employed by the government of the exporting country, stating that the animals have not originated in an area known to be infected with a contagious disease.

Preshipment arrangements for certification by exporting countries have helped to a large extent to prevent the international movement of diseased animals. During 1956, U.S. animal in-



spection and quarantine officials rejected 26 out of 1,685 animals submitted for entry. Of 4,082 birds classified as poultry, 376 were rejected. Eight cases of foreign types of Newcastle disease, which are usually fatal, were intercepted.

In addition, more than 40 tons of prohibited meats were seized and destroyed from passenger baggage and ship and plane food stores; and 5,535 pounds were seized from postal and express packages from abroad.

### Plant Pests

The U.S. Department of Agriculture has also been responsible for preventing the entry of plant pests into this country since the enactment of the Plant Quarantine Act of 1912. Increased emphasis on cooperation between countries is part of the recognition of the modern trend toward fast travel. Preshipment inspection of bulbs coming into the United States from Holland, Belgium, and France is an illustration. The United States works closely with the governments of Canada and Mexico on mutual agricultural pest and disease problems and with Central American countries in developing plant quarantine and inspection programs affecting international shipments. Certain fruits and vegetables—such as mangoes shipped from Cuba to the United States—are treated before shipment.

Inspectors check incoming cargo, stores, baggage, and mail on vessels, planes, railway cars, and vehicles. In the New York port alone, more than a million woody ornamental plants and over 2 million perennials are handled in a typical year. During the past year 17,504 lots of insects and plant diseases were intercepted. The Mexican fruit fly was intercepted 190 times; the oriental fruit fly, 29 times; the citrus canker, 139 times; and the Mediterranean fruit fly, 162 times. A single fruit taken at the Mexican border from a Florida-bound tourist was found to contain 293 larvae of the Mexican fruit fly.

The Department is also responsible for assuring that plants and plant products exported from this country conform to the import regulations of the country of destination. Last year



Dr. T. W. Cole, Director of U.S. Animal Quarantine Station at Athenia, N. J., boards ship to examine indignant-looking Jersey cow. Below, St. Patrick's Day shamrocks from Ireland go into fumigator before delivery.

about 40,000 certificates were issued by plant inspectors for export plant materials in 28 million containers.

### Research Exchange

In spite of these precautions, it is impossible to guarantee that all foreign animal and plant pests can be kept out of any country. Therefore, international cooperation extends to an exchange of knowledge and experience, beginning with the results of basic research through the plans and methods for control and eradication.

International conferences on plant and animal disease or pest problems are frequent. Workers in plant pest and animal disease control from other countries visit the United States for observation and training in our methods. Specialists from South Africa have come to the United States at the invitation of our government to advise officials concerning animal diseases new to this country that are old problems in Africa. Research workers from the United States are conducting cooperative studies in animal disease problems in Holland and East Africa. Scientists in all the major laboratories of the world are in close contact in an unofficial research program.

### Plum Island

The Plum Island Animal Disease Research Laboratory, located in Long Island Sound, was officially opened in



September 1956 to provide facilities for the largest research program ever conducted in the United States on dangerous foreign animal diseases. Major emphasis of the program is on foot-and-mouth disease, considered one of the most contagious animal diseases and one of the most serious in its effects. Although it has not appeared in the United States since 1929, the disease is widespread throughout the rest of the world. Outbreaks in Canada and Mexico a few years ago serve as a reminder that it can strike anywhere on the North American continent at

*(Continued on page 22)*





Baby chicks (*left*) and wheat flour rank high among U.S. exports to Latin America's coffee-producing countries.



Photo by Henry Reich

Last year, these countries bought 22 million chicks from the United States and 35 percent of U.S. flour exports.

## Coffee and the U. S. Farmer

**Coffee is Latin America's biggest dollar earner—and last year these dollars helped buy over \$400 million worth of U.S. farm products.**

By ROBERT E. ADCOCK  
Import Division  
Foreign Agricultural Service

THE UNITED STATES drinks more coffee than any other country in the world. Coffee is our largest single import item, and most of it we buy from the Latin American republics. For these countries our coffee purchases provide 40 percent of their dollar earnings—dollars that are largely spent for U.S. products, including foods grown on our farms.

U.S. agricultural exports to the Latin American coffee-producing countries have more than quadrupled since the years 1935-39. In the 1955-56 marketing year we bought about \$3.2 billion worth of their coffee, sugar, minerals, and other products. They in turn bought about the same amount from us. And of this, well over \$400 million were for farm commodities.

Consider our exports of wheat and wheat flour. One out of every \$6 that the U.S. farmer earns from these prod-

ucts comes from shipments to the coffee-producing countries. They purchase about 12 percent of our exported wheat, 35 percent of our wheat flour. Brazil, Peru, Cuba, Colombia, Bolivia, and Mexico import sizable quantities of wheat; while Venezuela, Cuba, Haiti, Guatemala, and Bolivia buy the largest amounts of wheat flour.

Our dried whole milk exports are impressive too. Probably few U.S. farmers realize that almost 85 percent of these go to the Latin American republics. Venezuela takes the largest share, but the other countries buy substantial amounts.

As for evaporated milk and nonfat dry milk solids, 1 out of every 4 pounds exported is sent to our southern neighbors—chiefly Cuba, Brazil, Mexico, and Bolivia. Butter is another important export to Latin America—1 out of every 9 pounds.

The coffee area has long been a market for U.S. lard and other shortenings. In the fiscal year that ended

last July these countries imported 38 percent of our lard exports and over half of our edible tallow. They normally take 70 percent of the dried beans and peas that we export, 36 percent of the rice, and around 7 percent of our grains other than wheat.

### Expanding Market

In all, some 50 different farm products are bought—fresh as well as processed commodities. And these farm exports account for about 13 percent of the value of our total sales in this market. None of the crops that we sell them are complementary to their production in the sense that coffee is to ours. But Latin America's population is expanding at a faster rate than its agriculture. Its people, keenly conscious of their living conditions, are striving to gain higher standards. And throughout the whole area there is a trend toward industrialization.

Already these factors have boosted Latin America's demand for our food products. It is only reasonable to expect that this demand will increase still further in the years ahead. Yet the extent of this increase will depend to





Coffee seedlings (*above*), grafting coffee trees (*right*). Improved quality is Latin America's goal for this big dollar-earning crop.

a large extent on how profitable the United States is as a market for their coffee and other noncompetitive crops.

**U.S.—the Biggest Market**

Fortunately, the United States is the best coffee market in the world. We imported about 21.5 million bags last year, while the rest of the world bought only about 16.5 million. At wholesale prices, the value of our coffee purchases ran about \$1.4 billion. Moreover, the trend is upward. For the past 2 years our coffee imports have set new records.

Yet in spite of these rising coffee purchases, the United States is not an easy market for Latin America's coffee. Sudden—and sometimes extreme—fluctuations in the price-supply picture have kept U.S. coffee consumption down. In 1946 we were drinking 19.8 pounds per person a year. Our per capita consumption now stands at 16 pounds. Population has increased, so that the drop in consumption is not truly indicated in the total figures.

One doesn't have to go far for the reason. Wide swings in prices cause coffee drinkers to look for substitutes. Because of the coffee "scare" in 1953-54, tea consumption rose from 0.58 pound per person in 1945-49 to 0.69 pound in 1954. Also housewives began stretching their coffee; they serve it less often, use less per cup.

**Soluble Coffees**

For the Latin American countries, the soluble coffees may present a problem. Their convenience and lower price have to some degree resulted in a shift in consumption. Large quantities of less expensive African coffee are being used in this new product.

In 1939 African coffees were just 2 percent of our total coffee purchases. Last year they were 11 percent. Should the quality of the "soluble cup" become as acceptable as the brewed product, the amount of high-grade Latin American coffee required by the U.S. market might very well be reduced. On the other hand, the production of soluble coffee is also progressing in Latin America, and this might turn to their advantage.

Latin American producers recognize this competition—and they're also conscious of the threat of surpluses. But they are determined to hold their share of the coffee market. All of the coffee countries are striving to improve quality. They have introduced better harvesting and processing methods, stricter grading and quality control, measures to combat disease.

**Crop Statistics**

Just as important are the moves these countries are making to improve their marketing and to smooth out price and supply variations. Lack of



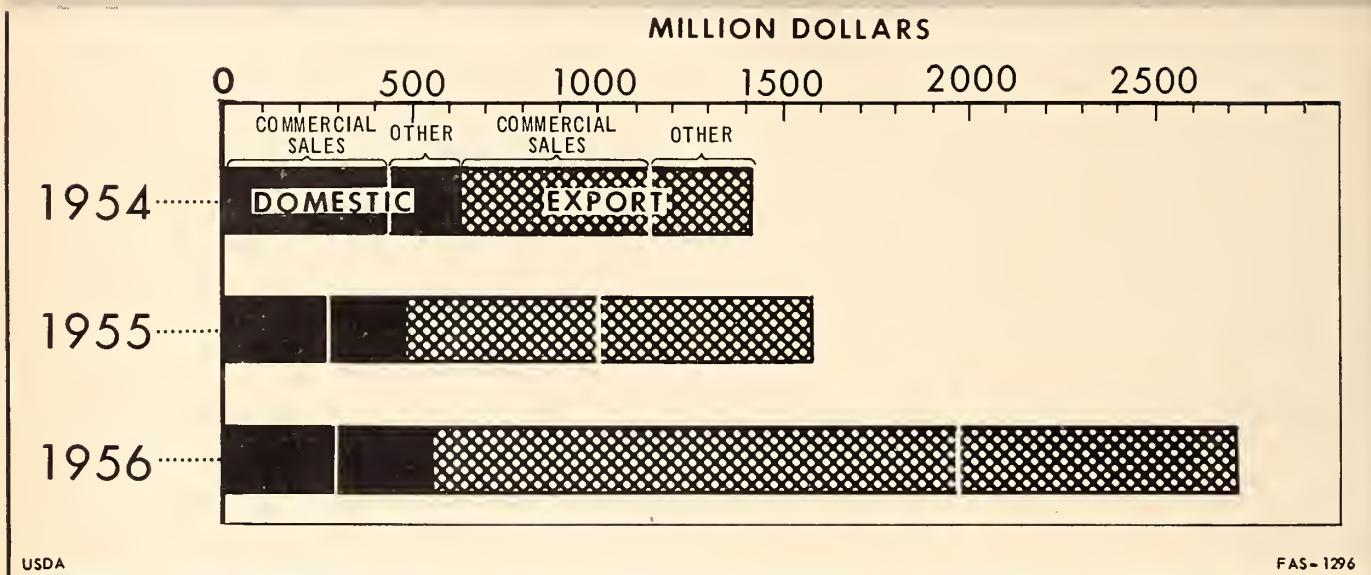
Latin America also "exports" a Coffee Queen, Miss Alfaro of Panama.

reliable statistics on availability and crop conditions have contributed to the instability of the market. Some progress is being made to correct this. Colombia, the largest producer of high-grade coffee, has just completed a tree survey, which should improve the base of estimating its crop. Furthermore, the U.S. Department of Agriculture has representatives in the area gathering up-to-date information.

There's still a long way to go before uncertainties of supply and production are eliminated. But for both the United States and the Latin American republics, the sooner this happens, the better. Latin America needs the dollars—and our farmers need the Latin American market.



## Trends in CCC Disposition Commitments, 1954-56



# How Vital Are Exports?

By HENRY HOPP  
Trade Statistics Branch  
Foreign Agricultural Service

PEOPLE UNACQUAINTED with our foreign agricultural trade are often surprised to learn that the United States exports several billion dollars worth of agricultural commodities a year. In the fiscal year ending June 30, 1956, they amounted to \$3.4 billion—and this year they are expected to reach \$4.5 billion.

Four billion dollars sounds impressive. But how important is it to U.S. agriculture as a whole? Is \$4 billion a large part of our agricultural economy? Or is it only incidental to the great domestic market?

If we accept size as the only valid measure, we find that our agricultural exports occupy a relatively minor place in the overall farm economy. If exported commodities are reduced to their farm equivalent in quantity and price, about 93 percent of farm utilization is domestic and about 7 percent foreign.

In contrast is the emphasis which

both government and industry place on foreign markets. But with no more than 7 percent of utilization going into foreign markets, why this concern with exports? Aren't we emphasizing our export programs out of proportion to their real economic significance?

The answer to this paradox lies in our too ready acceptance of size as an adequate indication of significance. Far better insight can be gained by exploring the economic impact of exports.

The first important fact we see is that the ratio of agricultural exports to production varies greatly among the different crops. Wheat exports have been averaging 32 percent of production, rice 42 percent, and grain sorghums 24 percent—though only 3 percent of our corn is exported. Cotton and tobacco find large outlets through exports—30 and 25 percent respectively. The same is true for fats and oils; about one-fourth of the food fat

and oil production and half of the inedible tallow and grease are exported.

Because of the regional nature of some of these crops, the direct impact of exports on the farm economy is concentrated in certain areas. For example, no one needs to be told what the loss of the export market for cotton would mean to Texas farmers. In fact, except for those commodities that are raised to be fed on farms and those that cannot be shipped cheaply overseas, exports constitute an essential part of total marketings for most commodities.

The second fact that becomes obvious is that exports play a big role in maintaining price levels. This role is out of proportion to the size of the export market because additional quantities usually can be absorbed with a considerably smaller price decline in the foreign market than in the domestic. For agriculture, where supply is not readily controllable, this has particular significance.

This contrast in elasticity between the domestic market and the export market is easy to understand. The domestic market is a large, relatively stable market, and American agriculture depends on this market to dispose of the bulk of its production. The American public consumes a fairly constant quantity of agricultural



products a year, and it obtains these largely from U.S. production. Population and purchasing power have been increasing at a slow but steady rate, so that changes in demand from year to year have been gradual. And furthermore, government support programs have helped maintain stability of domestic prices.

The foreign market, on the other hand, is relatively elastic and able to absorb production fluctuations. The foreign public can choose from many sources. When prices or purchasing conditions for a given commodity are more favorable in the United States than in other exporting countries, we attract foreign buyers, and when our terms for a commodity are less attractive, the reverse takes place.

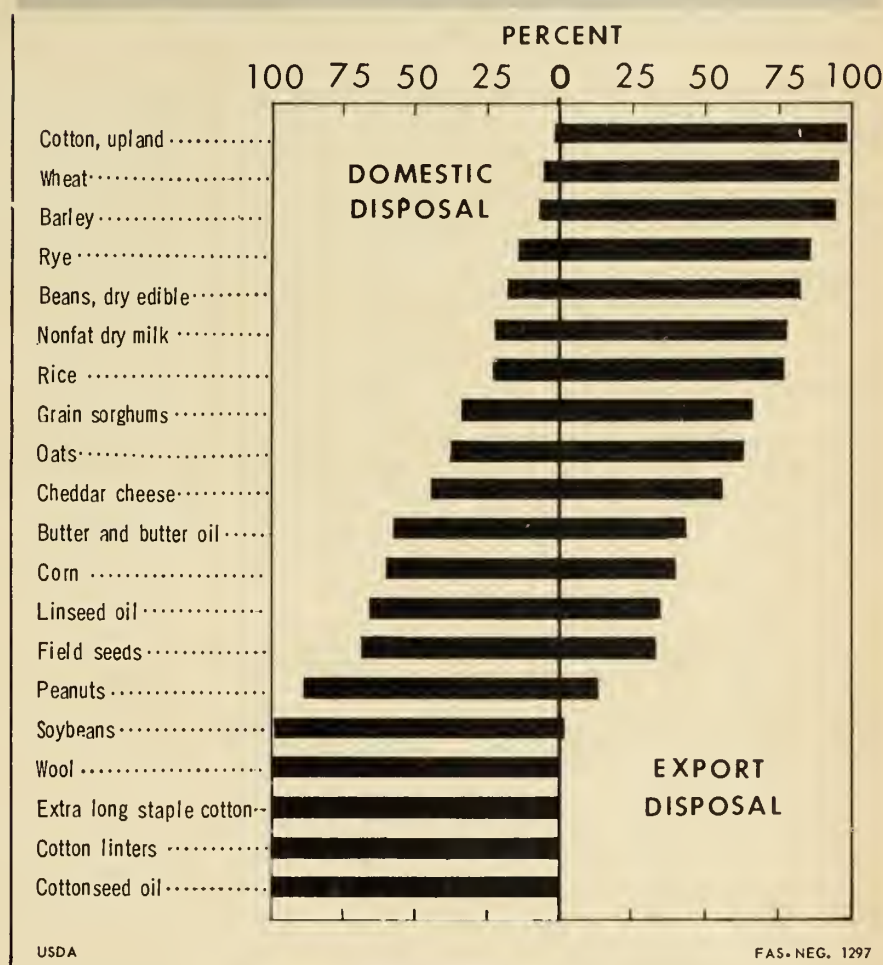
Thus the domestic market may be regarded as the backbone of our agricultural economy—and exports as a safety valve.

Exports have still a third function in maintaining the stability of our agricultural economy. They provide an outlet for government-held surpluses. The effect of these surpluses on the domestic agricultural economy is well known. They not only cost the government heavily; they also hang over and depress the market, thus reducing farm income millions of dollars a year.

In the past several years, the Department of Agriculture has steadily increased its rate of disposal of these surpluses. This has been done through both domestic and export channels, with emphasis on exports because of the opportunity to dispose of much greater quantities with less depressing effect on domestic prices. The Department's domestic disposal was \$567 million in 1956, compared with \$478 million in 1955; whereas its export disposal increased to \$2,165 million in

This table shows that we use more of these commodities domestically than we export. However, the yearly variation in these outlets—the annual change—is as great for exports as it is for domestic use, or greater. This elasticity of export demand makes our foreign sales important in adjusting marketing to production.

## CCC Commodities: Shares Committed For Domestic and Export Disposal, 1956



### SELECTED FARM PRODUCTS: AVERAGE ANNUAL VARIATION IN DOMESTIC AND EXPORT DISAPPEARANCE

(Marketing year averages 1945-56)

Commodity	Unit	Disappearance		Average Variation	
		Domestic Million units	Export <sup>1</sup> Million units	Domestic Million units	Export Million units
Cotton.....	Run. bale..	9.2	4.0	0.8	1.6
Tobacco, flue-cured.....	Pound.....	734.7	452.5	25.8	68.8
Wheat.....	Bushel.....	684.5	369.8	35.5	89.5
Rye.....	do.....	22.6	3.8	2.9	2.5
Rice, rough basis.....	Cwt.....	24.1	18.6	1.3	5.0
Corn.....	Bushel.....	2,926.2	97.3	165.3	45.7
Barley.....	do.....	274.5	37.7	21.6	18.3
Grain sorghums.....	do.....	109.2	37.5	33.0	21.0
Dried fruits, processed weight.....	Pound.....	673.5	227.1	48.4	83.6
Dry edible beans.....	do.....	1,172.0	210.1	107.5	90.3
Dry field peas.....	do.....	89.1	130.9	32.9	50.0
Food fats and oils, fat content.....	do.....	6,558.5	1,312.4	268.0	323.3
Oilseed cake and meal <sup>2</sup> .....	do.....	15,904.4	499.3	891.4	276.2
Tallow and greases, inedible.....	do.....	1,686.5	553.6	94.3	122.8
All dairy products, non-fat milk solid basis.....	do.....	10,134.2	390.4	239.5	132.3
Index <sup>3</sup> .....		100	20	100	108

<sup>1</sup>Includes exports through both commercial and government channels.

<sup>2</sup>Excludes meal equivalent of exported oilseeds.

<sup>3</sup>Derived from multiplying quantities by prices.

**WHAT PART OF OUR FARM OUTPUT GOES ABROAD?**  
(Marketing year averages 1950-55)

Commodity group	Percent of total output	Commodity group	Percent of total output
<b>Groins:</b>		<b>Livestock products—Con.</b>	
Wheat (and flour).....	32	Eggs.....	2
Rye.....	14	Poultry (excl. baby chicks).....	1
Rice.....	42	Meat (cattle, hog, sheep, and horse).....	1
Corn (and products).....	3		
Barley (and malt).....	14	<b>Fruits:</b>	
Groin sorghums.....	24	Oranges.....	10
<b>Cotton (and linters).....</b>	<b>30</b>	Conned fruit juices.....	12
<b>Tobacco.....</b>	<b>25</b>	<b>Total fruit:</b>	
		Fresh.....	8
<b>Fots and oils:</b>		Canned.....	5
Lard.....	20	Dried.....	24
Soybeans (and oil).....	21		
Peonuts (and oil).....	6	<b>Vegetables:</b>	
Total food fots and oils.....	22	Fresh.....	2
Inedible tallow and greoses.....	36	Conned.....	2
Oilseed cake and meal.....	3	Frozen.....	1
<b>Livestock products:</b>		Dry:	
Total doiry (non-fot solid equivalent).....	3	Edible beons.....	16
		Edible peos.....	24

1956 compared with \$1,107 million the previous year.

In 1956, 80 percent of all Commodity Credit Corporation disposals was through export; and for such commodities as upland cotton, wheat, and barley exports accounted for 90 percent or more of the surplus disposal. The foreign market also accounted for 80 to 90 percent of CCC sales of surplus rice and edible beans.

From these figures it is apparent how exports are helping solve the most acute marketing problem that U.S. agriculture has faced in recent years. When the other two factors—elasticity of export demand and importance of exports for certain leading crops—are also considered, the impact of exports on our farm economy appears in its true economic significance.

## ***Agricultural East Africa Turning Toward Industry***

British East Africa's nearly 20 million people are witnessing an industrial revolution. The area is about the size of Texas, California, Montana, and Arizona and comprises Kenya, Uganda, and Tanganyika. Historically it has been almost entirely agricultural, but today increasing interest is focused on industry. Industrialization began first in Kenya, but Tanganyika and Uganda are progressing also.

Established industries are expanding and new ones are springing up in many parts of the region. Some of these process local raw materials, while others utilize imported stocks.

The tobacco industry combines both domestic and imported materials. Tobacco manufacturing for local consumption is firmly established in the region's economy. Ugandan cigarettes are the largest single item in inter-territorial trade with Kenya and Tanganyika. Kenya now has a large new tobacco factory and one is planned for Tanganyika. Additional factories are operating in Nairobi, Nakuru, Kampala, and Jinja. Since only 3 percent of the East African demand for raw to-

bacco is fulfilled by imports, it is apparent that manufacturers are using an increasing proportion of local tobaccos in cigarettes and other manufactured products.

Flour milling—principally from Kenya's wheat—is also expanding to supply the increasing demand for wheat flour. Mills producing a combined total of about 100,000 long tons of wheat flour a year are operating in Eldoret, Nairobi, Jinja, Arusha, Iringa, and Dar-es-Salaam. A new mill is under construction at Nakuru and a license has been issued to build still another at Dar-es-Salaam. Kenya expects to import 10,000 long tons of wheat in 1957 and the increased consumption of wheat flour may necessitate substantial increases in grain imports within the next 5 to 10 years.

Lack of electrical power deterred progress for some time, particularly in Kenya. Uganda, however, has now built a hydroelectric plant on the Victoria Nile and is helping Kenya solve its electrical power problem by running a power line from the plant into Kenya. Uganda utilizes power from

the plant to run a modern textile factory capable of producing 9 million yards of material annually, a factory manufacturing cotton blankets, and a copper smelter.

The canning industry is also growing. Export production of canned fruits and vegetables in Kenya—which amounted to about \$150,000 in 1951—is expected to total about \$5 million by 1960. Canned pineapples are a major export fruit from Kenya. In 1955, one factory alone exported \$1.4 million worth of canned pineapples. Other canned products include tomato puree, meats, butter, and ghee.

Kenya is now the world's largest exporter of pyrethrum extract. Pyrethrum producers operate the only research laboratory designed exclusively to experiment on improving the quality of pyrethrum insecticide.

Sisal is being spotlighted in Tanganyika, the world's largest producer of the fiber. Sisal processors are making hecogenin from sisal sap, for use in synthesis of cortisone.

Other new factories are processing vegetable oils, dairy products, beer, and tea.

With continued industrial expansion going on at a rapid rate, British East Africa can look to a more stable economy and a higher standard of living for its people.





Native cattle suffering from malnutrition and disease. Most disease is caused by the blood-sucking tsetse fly.



Excellent cattle, such as these on Kenya farm, can be raised when well-fed and protected from disease.

# Will Atomic Radiation Control Africa's Tsetse Fly?

**After centuries of battling the fly, East Africans are now hoping that the world's most modern technique—atomic radiation—will destroy this disease-carrying pest. If it does, thousands of square miles in the heart of Africa may be opened to cattle production.**

By JOHN RAY  
Livestock and Meat Products Division  
Foreign Agricultural Service

Long before white men started looking for the headwaters of the Nile, the people of East Africa were carrying on a war against the tsetse fly. They recognized the relationship between nagana—the disease that was attacking their cattle—and the presence of the fly. And under the leadership of their tribal chiefs, large areas of brush were burned each year to destroy the tsetse's breeding grounds.

Today mankind's newest technique—atomic research—has been put to use in the battle against this disease-carrying pest. Several thousand tsetse fly pupae have been sent from Tanganyika to the Harwell Atomic Research Station near London. There, by means of atomic radiation, scientists are altering the genetic makeup of the males so that they will produce only sterile offspring. As the female tsetse mates but once in her life cycle, fertilization by a treated male ends her line

with the first generation of progeny.

These experiments are not entirely blind stabs. U.S. scientists used the same method in their attack on the screw worms that infect goats on the island of Curacao. Incidence of these worms has been cut down substantially. Thus, there is reason to believe the same thing may happen in Africa. With treatments conducted on a large scale, the altered males released into the wild fly population of East Africa would leave sterility in their track.

## First Scientific Efforts

The first scientific approach to the tsetse fly problem was in 1901 in Uganda. A severe epidemic of the dread disease trypanosomiasis, better known as "sleeping sickness," had broken out, and before it was over, more than 200,000 people had died. It was at this time that British medical men identified the tsetse as the carrier

of the disease in humans, just as the Africans had related it to their cattle disease.

Since this terrible outbreak, drugs have been developed which counteract the disease in man, so that sleeping sickness is no longer the threat that it once was. But cattle have not fared so well. Valuable breeding stock can be protected by drugs; to use drugs to safeguard the millions of cattle in the tsetse-infested regions of Africa would be next to impossible. In the first place, the animal phase of the disease is much more widespread than the human; and, secondly, East Africa's teeming game animals act as a reservoir from which the disease can always be carried to domestic herds.

## Attacking the Fly

So far the best technique has been to attack the fly—both directly and indirectly. Once the carrier is eliminated, the disease dies out. Unfortunately, direct measures have not been very effective. Fly traps and "fly boys" armed with swatters have produced mounds of dead tsetse but no substantial reduction in insect numbers. Aerial spraying has not proved successful either. The infested area is too big—over 300,000 square miles in British Africa alone. And the tsetse can re-establish itself as soon as the effects of the chemical have worn off.

Indirect measures have accomplished more. The tsetse require brush cover for breeding. As mentioned earlier, the burning-over of breeding grounds was an old tribal custom. But as Euro-



# WORLD Agricultural Summaries



Herd boy with Ankole "longhorns," native to Uganda. Area exports large quantities of skins but suffers from meat shortage.

pean administrations took over, and the tribal organizations broke down, brush-burning declined. Large areas grew up in brush again, the tsetse fly moved back in, and valuable pastureland was lost to cattle production. Recently East African officials have recognized their mistake, and the practice of burning dead grass and brush is being encouraged.

Then there is the laborious hand clearing of breeding areas. Because of its cost, this method is usually limited to relatively small areas, though frequently it is used to create wide barrier lanes. It is effective if followed by human settlement. Cultivation keeps the ground clear, and, when the area is safe, livestock is brought in.

## Game Trouble

Africa's abundant game is a source of trouble, as it supplies ample food for these blood-sucking flies. In several areas of Central Africa the tsetse has been eradicated and the area settled by the simple expedient of killing off the game. The slaughter of thousands of head of game is a sorry affair, so, in many cultivated areas, barrier fences with wide cleared lanes are used. But this too is expensive. Fences must be built to cope with animals ranging from the massive elephant to the persistent wart hog.

Nature, however, frequently lends a hand. In 1896 a violent rinderpest epidemic swept from Ethiopia south to Southern Rhodesia destroying both game and cattle. The lack of food forced the tsetse out of the affected

areas. Much of the work in recent years has been to keep the disease from the territory cleared by rinderpest.

The vast expenditure of money and human toil over the years testifies to the economic importance of this fight. The tsetse occupies nearly half of the 644,000 square miles in British East Africa; and much of this land, now given over to brush and game, would afford excellent pasture to the area's growing cattle population.

## Cattle Potential

Traditionally, the Africans of this area are cattle herders. They own over 16 million head at the present time. The cattle, however, are of a poor type, riddled with disease and slow to mature. So with a growing population and rising living standards, the area suffers from a chronic meat shortage. Limited by large arid tracts on the one hand and the tsetse on the other, the African herdsman lacks space to expand his operations. Though the population of East Africa increased 9 percent between 1950 and 1955, cattle numbers rose only 7 percent.

The British in East Africa have worked hard to improve cattle production, in both quality and quantity. The Harwell experiments are another step. If the battle with the tsetse can be won, great areas can be opened up. Much of the increased production would be consumed domestically. Yet the area planners hope, in realizing the potential capacity of the land, to develop an important export trade in livestock products. Already the area is

**Barley and oats.** World production of barley and oats for 1956-57 is at an all-time high, slightly above the previous record a year ago. The record tonnage of the combined crops, at 146 million short tons, is attributed mainly to a substantial increase in barley acreage, although higher yields are partly responsible.

**Corn.** World corn production, estimated at 6,585 million bushels, will exceed the previous record harvest in 1955 by about 310 million bushels. Bulk of the increase is in the United States and the Soviet Union. Argentina—normally the world's principal corn exporter—has suffered from drought that drastically reduced its corn crop. Current indications are that there will be little or no corn available for export from this source.

**Brazil nuts.** Production of Brazil nuts during 1956 is estimated at 43,000 short tons (unshelled basis)—an increase of 4,000 tons over 1955. Most of the exports were divided between the United States and the United Kingdom, with small quantities going to West Germany.

**Soybeans.** World soybean production is at a record level for the third successive year. The 1956 crop exceeded 1955 by over 10 percent. Nearly all the increase was accounted for by expansion in the United States.

**Filberts.** The record Turkish filbert crop, estimated at 143,000 short tons (unshelled), is reflected in the 1956 world production total of more than 197,000 short tons. This exceeds the previous record in 1954 by about 22,000 short tons.

an important exporter of hides. But if this can be extended to meat and meat products, British East Africa would have an important market in the United Kingdom, eager to increase its purchases within the sterling area.



# World Bank Loan Will Help Peru's Agriculture



Photos courtesy of World Bank

**Peruvian workers wall the Yuscay Canal. Irrigation gets high priority in development plans.**

The World Bank recently made a second loan of \$5 million to Peru to enable the country to continue its agricultural development program. The proceeds of the loan will pay for imported agricultural machinery, irrigation equipment, livestock, and some equipment for fisheries.

The loan was made to the Banco de Fomento Agropecuario del Peru, an autonomous credit institution of the Peruvian Government. With the help of the first loan, made in 1954, the Banco was able to double the volume of its medium and long-term credit loans during 1954-56. As a result, marked expansion in farming and livestock raising took place. With the new loan of \$5 million, the Banco can continue its long-term lending program and devote more of its own resources to loans involving local expenditures.

Continuous expansion of agriculture is necessary to keep pace with the

needs of Peru's growing economy and population. Wheat and meat are still being imported in large quantities; and there is an unsatisfied demand for more and better milk products.

Most of the Banco's operations are in the Pacific Coast area, where conditions for commercial agriculture are most favorable and where farmers can make the best use of mechanized equipment. In this region, demands for farm equipment will be met so that the cultivation of new lands can begin. These lands will be irrigated by the Quiroz-Liura project, for which the World Bank made a loan of \$18 million in April 1955. In the highlands of the Andes, wool production is being improved, and pioneering work done among the Indian population on small subsistence farms. In the Amazon region, east of the Andes, credit operations of the Banco are encouraging the cultivation of coffee, cacao, and other tropical products, and

also opening up new land for cattle.

Except for livestock, the goods financed by the World Bank loan will be imported and sold through regular trade channels. To purchase goods farmers will be given credit. The Banco itself will import livestock, since it is in a better position to arrange for shipments and for selecting the breeds best suited to Peru.

Over a period of years, the World Bank has made eight loans to Peru. A total of \$31 million has been lent for irrigation and agriculture; \$2.4 million for improvements at the Port of Gallao; \$2.5 million for the construction of a cement plant; and \$5 million for highway maintenance.

**World Bank loans are helping more and more Peruvians replace oxen with modern tractors.**



# Foreign Agriculture Personnel Win Departmental Awards

For the past 10 years the Department of Agriculture has given formal recognition, through honorary awards, for outstanding public service performed by its staff. This year two members of the Foreign Agricultural Service were among those receiving the Distinguished Service Award, and five received the Superior Service Award.

The Distinguished Service Award is the highest honor conferred by the Department for service to American agriculture.

Below, award citations follow each name.

## Distinguished Service

**Eric Englund**, Agricultural Attaché, London: *For statesmanship of the highest order in service to American agriculture at home and abroad.*



To the job of Agricultural Attaché, first in Stockholm and now in London, Dr. Englund has brought a rare blend of sound scholarship, administrative skill, and friendly optimism. He has been outstandingly successful both in communicating the U.S. viewpoint and in transmitting home a clear picture of government problems and attitudes in the countries where he was stationed. In addition, his special USDA experience with the complex wartime and postwar problems of world food and fiber supply and distribution fitted him for certain important extra assignments. He has served as Food and Agriculture Officer of the ECA Mission to Sweden; as U.S. delegate on the Council of the International Sugar Agreement; as a member of the Executive Committee for the Council of the International Wheat Agreement; and as USDA representative at a number of international conferences.

**Joseph Aloysius Becker**, Director of Statistics: *For his invaluable and lasting contributions to the accuracy and usefulness of agricul-*



*tural statistics for the United States and for the world.*

USDA's statistics on U.S. agriculture have long been regarded as the most comprehensive and accurate in the world. In the last decade, USDA's world agricultural estimates have gained the same renown. Much of the credit for these achievements is Mr. Becker's.

From 1922 to 1944, Mr. Becker's leadership brought significant improvements in the techniques, quality, coverage, and presentation of U.S. crop and livestock reports. These improvements were reflected in the mounting prestige of USDA's annual *Agricultural Statistics*.

Since 1944, Mr. Becker, by frequent consultations abroad, has worked for the same kind of improvement in the foreign agricultural data on which U.S. world estimates are based. These estimates, now appearing as monthly summaries, represented the first world crop and livestock reporting service.

## Superior Service

**Ford M. Milam**, Regional Agricultural Attaché, West Central African Area: *For courage and perseverance, under hazardous and difficult conditions, in pioneering the successful establishment of Departmental representation in a large and complex agricultural area.*



Dr. Milam's region stretches 3,000 miles down the west coast of Africa;

its 12 countries or territories have a total population one-third that of the United States. To visit it, he traveled for 8 of his first 12 months, covering nearly 30,000 miles by air, auto, ship, cart, canoe, horse, and camel.

Throughout his region, Dr. Milam has won the admiring cooperation of local people and officials and of U.S. Embassy and Consulate staffs. No small reason is his unfailing courtesy; the 300 "thank you" letters he sent have helped maintain both good will and correspondence channels for exchanging information.

By his resourcefulness and energy, Dr. Milam has tapped new sources and obtained agricultural data never before available. He has also given many people of the area their first knowledge of U.S. agricultural and trade policies.

**Office of the Agricultural Attache, Bonn, Germany:** *For tactful, persistent, and successful representation in gaining access to the German market for U.S. farm products and for promoting friendly relationships with officials of the German Government and trade.*

As U.S. aid to Western Germany tapered off, dollars became scarcer and Western Germany's imports of U.S. agricultural products dwindled. The Office of the Agricultural Attaché at Bonn has worked steadily to gain German confidence and to facilitate U.S.-German trade. Through its wise and tactful efforts, German trade with the dollar area is increasingly free of controls; duties on U.S. lard have been lowered; facilities for inspecting meat imports have been enlarged; German importers are better informed on U.S. grain standards; and Germany and the United States have begun to exchange agricultural research information and techniques.

The 10 employees who share the responsibility for these and other achievements are Phil S. Eckert, Rich-



ard A. O. Schwartz, Armin J. Rehling, Dena L. Dworsky, Paul Hess, Gisela Gelderblom, Josef G. A. Wienken, Marlise M. Wilke, Margareta M. Beinhoff, and Anneliese A. Florian.

**A. Richard De Felice**, Director, Trade Policy Division: *For vigorous leadership in advancing the interests of American agriculture by promoting and helping to achieve liberalization of foreign trade controls through effective staff-work at national and international levels.*



As USDA spokesman on the U.S. delegation at sessions of the General Agreement on Tariffs and Trade, Mr. DeFelice has had notable success in furthering the general understanding of U.S. policies on matters that affect agricultural trade. His friendly appreciation of political and economic problems in other countries makes him highly effective in the GATT forum. He has gained acceptance of a waiver allowing the United States to continue applying its "Section 22" import controls when necessary; he has helped prevent certain GATT rules from being revised so as to conflict with U.S. legislation; and he has made major contributions in the U.S. effort to persuade other countries to remove some of their barriers against U.S. exports of agricultural commodities.

**Clarence R. Eskildsen**, Director, Foreign Trade Programs Division: *For leadership and ingenuity in expanding agricultural markets abroad by developing surplus disposal sales for foreign currencies through agreements with other governments.*



Mr. Eskildsen's tact, diplomacy, and patience have helped the U.S. Government conclude agreements for the sale of more than \$2 billion worth of U.S. farm commodities for foreign currencies, under Title I of Public Law 480. His leadership among the U.S. agen-

cies involved in the negotiations and his skill in working out proposals acceptable to foreign negotiators played a large part in the success of the program.

Part of the foreign currencies earned are used in market development projects designed to encourage consumer preference abroad for U.S. farm products. Under Mr. Eskildsen's direction, and with the enthusiastic aid of both foreign and U.S. trade groups, this market development program is helping broaden diets and raise living standards as well as build dollar markets for these goods.

**Raymond A. Ioanes**, Executive Assistant to the Administrator: *For foresight, resourcefulness and leadership in organizing and directing the extensive operations required to carry out the P.L. 480 surplus disposal program.*



When Congress enacted Public Law 480 in 1954, Mr. Ioanes set up committee machinery to solve the interdepartmental problems he anticipated. Through the committee, he planned extensive consultations to make sure that each country's program was tailored to its needs; that normal dollar sales of U.S. goods were not displaced; and that the surplus commodities helped improve diets and living conditions.

This careful preparation first paid off when a grain agreement with Turkey went through so fast that U.S. grain was moved to Turkey in time to meet a serious food crisis there.

Foreign representatives here respect Mr. Ioanes for his intelligence, integrity, and helpfulness. And U.S. representatives abroad have been greatly aided by the world-wide procedures he worked out for P.L. 480 negotiations.

**Eral O. Pollock**, Acting Director, Grain Division: *For unusual success in initiating and obtaining acceptance by government agencies*



*and trade groups in Japan of the first major foreign market development program for grain and grain products.*

Throughout his government service, Mr. Pollock has shown outstanding ability to work with government agencies and trade groups both here and abroad. His collaboration with the Oregon Wheat Growers League in the market development program for wheat in Japan is still looked upon as a model government-and-trade combination. His success in dealing with Japanese Ministries and trade groups was just as marked.

This program illustrates how effectively a market development project can be patterned to meet a particular situation. To put across the basic idea—that wheat foods can be a valuable and appetizing supplement to Japan's traditional diet—the Japanese nutrition groups carrying out the program use traveling kitchen buses, courses for bakers, courses for extension workers, and colorful publicity.

## World Has Near-Record Supplies of Bread Grain

The world's 1956-57 wheat crop reached a record high. Rye, however, continued its steep downward postwar trend. As a result, the world's total bread grain crop fell just short of the record set in 1952-53.

*Wheat.*—Latest figures put the crop at 7,595 million bushels—190 million more than in 1955-56. Main factor in the increase was a sharp acreage expansion in the Soviet Union, especially east of the Volga. This boosted output despite heavy losses around harvesttime. In North America, the United States, like Canada and Mexico, had higher yields; it also slightly increased its acreage after the drastic 1955 cuts. In South America, the fine crop harvested by Argentina made up for poor ones elsewhere. Western Europe—especially France—shifted much land to spring-planted crops because of severe winter kill early in 1956. Above-average yields only partly offset this acreage cut.

*Rye.*—The crop of 1,385 million bushels was 145 million below 1955's. Most areas produced less, except for Western Europe and South America.

# PEOPLE IN THE NEWS



## Sir Edgar Whitehead To Direct Mission



Sir Edgar Whitehead has been appointed minister to head the first permanent diplomatic and trade mission established by the Fed-

eration of Rhodesia and Nyasaland in the United States. The mission will be attached to the British Embassy at Washington, D. C.

Sir Edgar was formerly Minister of Finance for the Southern Rhodesian Government, and he has been active in farm organizations and livestock farming operations in Rhodesia and Nyasaland for many years.

He is the son of a British diplomat, was born in the British Embassy in Berlin, and was educated at Oxford University before going to Rhodesia. He was knighted in 1954.

## Burton Baker First Attaché to Morocco

Burton A. Baker has been named U.S. agricultural attaché to Rabat, Morocco.

Mr. Baker has served U.S. agriculture in foreign lands since 1949, as assistant agricultural attaché in Paris and agricultural economist in London. Prior to 1949 he worked with the U.S. Department of Agriculture in Washington.

He was born in Oconomowoc, Wisconsin, and received a Ph. D. from the University of Wisconsin. He got his Bachelor of Science degree at Stanford University.

## Ehman Appointed Attaché to Egypt

Frank W. Ehman has been appointed U.S. agricultural attaché to Egypt. He has been serving as assistant attaché at that post since

June 1955. Before going to Egypt Mr. Ehman worked with the Foreign Agricultural Service in Washington. He has also taught vocational agriculture in Illinois, Utah, and Iowa.

He was born in Boone, Iowa, and received a Bachelor of Science degree from Iowa State College.



## The Caribbean

*(Continued from page 4)*

The Federation expects to be in operation in the first quarter of 1958 when the members of the legislature are elected. At that time, a new nation will be born. Bermuda, the Bahamas, and the British Virgin Islands are not planning to join. British Honduras and British Guiana are watching the progress of the Federation before coming to a decision.

The formation of the Federation has accelerated plans for economic development, and its existence is expected to bring greater stability to the area. Furthermore, it will affect trade. As the Federation acquires political independence the islands will be free from restrictions in selecting their markets and this, in turn, may strengthen the pronounced upward trend in U.S. exports to the growing Caribbean market.

## Markets Abroad

*(Continued from page 6)*

project—with Cotton Week featured in 14 cities—is believed to have contributed greatly to the 20-percent increase in cotton consumption that took place in the spring and early summer of 1956.

## Countries Involved

Certain projects have been completed, while many more are being carried over. Funds are now earmarked for market development in 29 countries. These include Argentina, Austria, Brazil, Chile, Colombia, Finland, France, West Germany, Greece, Israel, Italy, Japan, Korea, the Netherlands, Peru, Spain, Thailand, and Yugoslavia—where projects are being or have been undertaken; and Burma, the Republic of China, Ecuador, Egypt, India, Indonesia, Iran, Pakistan, Paraguay, Portugal, and Turkey—where projects are just being developed.

No funds are available in some of those countries where the United States already has good market prospects, such as the United Kingdom. Yet in four cases, arrangements have been made to exchange currencies, and thus projects have been started in the United Kingdom, Belgium, Switzerland, and the Dominican Republic, though the actual funds originally accrued in another country.

Market development is a continuing process. New projects will be started this year as more funds become available. Our goal is to help private trade find outlets for its farm products. We in FAS can't do it alone. We need the continuing cooperation of the people who produce and sell these products.

## Peru May Need Rice Imports

Peru may have to import several thousand tons of rice in 1957 to meet normal consumption needs. An extreme shortage of water during the transplanting period may contribute to a shortage in this year's crop. Also planting was exceptionally late and more of the crop may be lost unless the weather is unusually favorable for the rest of the season.



# U. S. Agricultural Exports Set New Records in 1956

**Farm exports at record high.** U.S. exports of agricultural commodities in calendar year 1956 attained all-time highs in both quantity and value. The 1956 value of \$4,158 million surpassed the prior record of \$4,093 million in 1919 and the post-World War II high of \$4,040 million in 1951. Comparable export quantity indexes were 152 in 1956, 147 in 1919, and 124 in 1951 (1952-54 = 100).

**Substantial increases over 1955.** Calendar 1956 exports totaled 30 percent ahead of 1955 in value, 35 percent in quantity. Dollar gain over 1955's \$3,199 million was \$959 million: Wheat and wheat flour \$325 million, cotton \$249 million, soybean oil \$86 million, rice \$70 million, tallow \$20 million, and oranges \$19 million. Value increased less than quantity because export prices averaged somewhat lower in 1956. Only substantial decline was \$23 million, in tobacco exports.

**Nonagricultural exports reach peak.** Total of \$14,681 million in 1956 compared with \$12,214 million in 1955 shows a 20-percent gain. Excluding military goods under the Mutual Security Program, nonagricultural exports still made a substantial gain: 18 percent, half in machinery and vehicles.

**Government programs important.** Sales for foreign currency, barter transactions, and government donations helped to move an estimated 43 percent of agricultural exports in 1956 as against 39 percent in 1955. Of the \$959 million increase over 1955, 60 percent was due to these government programs and 40 percent to sales for dollars.

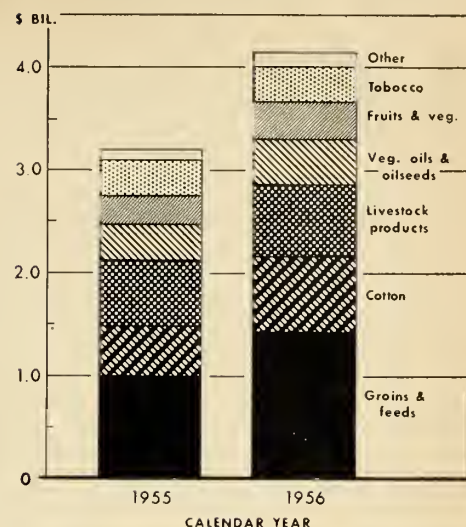
**Price changes.** Agricultural export prices declined an average 3.6 percent in 1956 compared with 1955. This decline was notably less than the 6.8-percent drop from 1954 to 1955. Most important price change was in cotton as the result of CCC's special export program: Average of \$151 a bale in 1956 compared with \$181 in 1955. Other export prices averaged about the same in the 2 years.

**Wheat exports up.** Severe winter kill and poor harvest weather in Europe, plus government programs, stimulated U.S. wheat exports. Wheat and wheat flour exports in 1956 were up about half over 1955 in the first 6 months, doubled in the last. Public Law 480 shipments were heavy to Brazil, Japan, India, Egypt, Pakistan, Israel, and Chile.

**Competitive pricing helped cotton.** The gain came mostly after March 1956 when first shipments moved at reduced prices under CCC's special export programs. Foreign mills let their inventories remain at low levels until the program started, and then had to buy heavily.

**PL 480 moves edible oils.** About half of edible vegetable oil exports was moved until Title I of Public Law 480 Combined exports of cottonseed and soybean oils were

VALUE OF U. S. AGRICULTURAL EXPORTS BY COMMODITY GROUPS



more than two-thirds ahead of 1955. Unusually short local supplies of edible oils in Spain, Italy, and Argentina, and increased consumption levels, helped the U.S. export gain.

**Rice also stimulated by PL 480.** Export highlights in 1956 were the 52 percent that moved as Public Law 480 transactions to Pakistan and Indonesia and the large donations to private welfare agencies for distribution to needy persons overseas. Public Law 480 transactions were responsible for commitment of practically all of CCC's rice inventories.

U.S. EXPORTS OF SELECTED AGRICULTURAL COMMODITIES

Commodity	Unit	Change in 1956 from 1955		
		1955 Mil.	1956 Mil.	Percent
<b>Cotton, excluding linters.....</b>	<b>Bale (480 lb.)</b>	2.59	4.74	+ 83
<b>Wheat and wheat flour.....</b>	<b>Bushel</b>	271	470	+ 73
<b>Rice, milled, excluding paddy.....</b>	<b>Cwt.</b>	11.0	20.3	+ 84
<b>Corn, grain.....</b>	<b>Bushel</b>	108	118	+ 9
<b>Barley, grain and malt.....</b>	<b>Bushel</b>	75.8	86.9	+ 15
<b>Sorghum grains.....</b>	<b>Bushel</b>	62.4	54.9	- 12
<b>Tobacco, unmanufactured.....</b>	<b>Pound</b>	540	510	- 6
<b>Soybean and cottonseed oils.....</b>	<b>Pound</b>	1764	1,295	+ 69
<b>Soybeans.....</b>	<b>Bushel</b>	67.8	68.6	+ 1
<b>Tallow, edible and inedible.....</b>	<b>Pound</b>	1,140	1,394	+ 22
<b>Lard.....</b>	<b>Pound</b>	563	613	+ 9
<b>Meat, product weight<sup>2</sup>.....</b>	<b>Pound</b>	229	322	+ 41
<b>Cheese.....</b>	<b>Pound</b>	148	153	+ 3
<b>Nonfat dry milk solids.....</b>	<b>Pound</b>	486	591	+ 21
<b>Evaporated milk.....</b>	<b>Pound</b>	155	170	+ 10
<b>Fresh oranges.....</b>	<b>Pound</b>	670	898	+ 34
<b>Dried fruits.....</b>	<b>Pound</b>	198	251	+ 27
<b>Canned fruits.....</b>	<b>Pound</b>	226	319	+ 41
<b>Pulses<sup>3</sup>.....</b>	<b>Pound</b>	197	395	+100
<b>Canned vegetables.....</b>	<b>Pound</b>	163	208	+ 28
<b>Index of total quantity (1952-54 base = 100).....</b>	<b>%</b>	113	152	+ 35

<sup>1</sup>Includes donations to private agencies for overseas relief.

<sup>2</sup>Includes poultry and miscellaneous meat products.

<sup>3</sup>Excludes cowpeas and chickpeas except in January-June period of 1956.

# U. S. Cotton Programs Stabilize World Market

By CHARLES H. BARBER  
Cotton Division  
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The U.S. cotton export sales program conducted by the Commodity Credit Corporation in 1956-57 has had a stabilizing effect on the world cotton market. It has kept prices at or above the level to which they had declined when the program started in January 1956. And by stabilizing prices it has caused a sharp upward trend in world cotton trade and consumption.

World cotton production had exceeded world consumption by about 12 million bales during the 5 years preceding the CCC sales program. The excess accumulated in U.S. stocks, while foreign cotton was being sold during most of this period below the U.S. support level. Continuation of these trends would have meant further losses in U.S. export markets, with stocks still hanging over the market.

CCC made the first sales of government-owned cotton at existing world prices on Jan. 3, 1956—and since then has sold more than 10 million bales for export without disrupting world markets. Minimum export prices were fixed at the level of prices existing at that time for other growths of similar quality. They have never fallen below that level, and since last October they have been increased slightly each month.

Equally important has been the effect of the program on spot prices of foreign-grown cotton. Comparable qualities grown in other countries, with minor exceptions, remained at or above the U.S. export prices. And, except for a brief period in the summer of 1956, they stayed above their own December 1955 level. In this period, export demand weakened mainly because buyers in importing countries expected further reductions in prices of U.S. cotton as soon as new foreign crops arrived on the market. But by September when it became ob-

vious that a price war would not develop and the sales of U.S. cotton would continue on an orderly basis, prices followed an upward trend for the rest of the year.

Confidence in the U.S. sales program has carried over into this year. There is no longer a fear that the United States will initiate any action that might undermine world cotton prices. Furthermore, there are other factors that should add strength to export demand and world prices through the current marketing year.

One of these factors is the reduced supplies of many foreign growths. So far this year, exports from foreign countries have been smaller than those of a year ago because practically all surplus stocks were liquidated in 1955-56. However, as the year progresses these countries may move all the cotton available for export except small quantities of the lower qualities.

A second important factor is the continuation of acreage controls in the United States, with further reduction under the Soil Bank Act. Some of the credit for price stabilization and the success of the export program must go to U.S. acreage control, which should continue to influence the market.

Thirdly, at the start of the current season nearly all the cotton-importing countries had low inventories of both cotton and cotton products. Rebuilding these inventories has stimulated sales in the current season and, on a smaller scale, may be a factor in cotton demand next season.

And lastly, the Middle East situation. The unsettled conditions there and the temporary interruption of cotton shipments through the Suez Canal has caused a fear of inflation, particularly in Western Europe.

Considering all of these factors, it is apparent that the major objectives of the 1956-57 export programs will be achieved. A world cotton export total of around 15 million bales (500 pound) is in prospect, against 12.8

million last year. This will be the largest world export total since 1926-27. At the same time, the United States will have reduced its stocks by nearly 3 million bales and regained its foreign markets. And all of these objectives will have been accomplished without disrupting world markets.

The long-range outlook is also favorable. The upward trend in foreign consumption of cotton is expected to continue. Given stable prices and adequate supplies for several years, cotton's position in foreign markets with respect to synthetics will improve, and cotton textile industries will be encouraged to proceed with planned expansion. Moreover, the gradual disposal of the U.S. surplus will remove the depressing effects that these large stocks have been exerting on the world cotton market.

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## Agricultural Pests

*(Continued from page 9)*

any time. The best defense is a complete program of preparedness based on research in methods of diagnosis, prevention, control, and eradication.

Regulatory officials, too, work on an international basis to help eradicate pests and diseases that don't recognize boundaries between nations. The United States Government worked closely with Mexico to eradicate foot-and-mouth disease there during the years 1947-52 and again in 1953-54. Specialists from this country were invited to observe eradication program measures in Canada in 1952.

The United States plant pest control officials are continuing to work with Mexican agricultural officials in Mexico to help control the pink bollworm, Mexican fruit fly, khapra beetle, and citrus blackfly, in an effort to protect the agricultures of both countries.

It is true that with the exchange of agricultural products in a world where distances have been foreshortened by modern transportation comes the exchange of pests and diseases. But, at the same time, with added vigilance and the exchange of ideas and knowledge come the means of combating the spread. Our world defenses are based on cooperation.



# TRADING POST



## **Australia Plagued By Fruit Pest**

The Queensland fruit fly has shown up in the Mildura area of Victoria, Australia. The area produces a substantial quantity of oranges and dried fruits and is a major source of exports to New Zealand. New Zealand already bars fruit imports from some areas of Australia because of the Queensland fruit fly. If citrus from Mildura is embargoed because of this pest, Australia probably will not be able to furnish New Zealand's normal market needs this year.

## **Sudan Ups Cotton Export Tax**

Sudan has increased its cotton export tax from £2 per kantar (5.82 U.S. cents per pound) to £3 per kantar (8.72 U.S. cents per pound). The new rate—the first increase in 5 years—will be effective for the 1956-57 crop, now being sold.

## **Ireland Revokes Orange Levy**

Ireland has revoked the 37.5 percent import levy on oranges. The duty was imposed in July 1956 to curtail imports—which had increased sharply the first half of 1956. The reduced trade, however, caused prices to rise out of reach of ordinary consumers and the Irish Government now feels that the duty was not justified.

## **Canada Supports Nonfat Dry Milk**

The Canadian Government is supporting prices on first-grade nonfat dry milk. The support for roller process is 14 cents per pound and for spray process, 17 cents—f.o.b. basis for storage at Montreal, Toronto, and several other Canadian cities. Purchases will be subject to the terms and

conditions of the Agricultural Prices Support Board.

## **Venezuela Importing Sesame Seed**

Venezuela, with a short domestic sesame seed crop, is licensing oilseed crushers to import 26,455 tons of seed. Crushers estimate they need 42,000 tons of seed annually. Practically all this year's production of 14,300 tons has been bought by crushers.

## **U.S. Using More Meat Extracts**

The United States imported 3.2 million pounds of meat extract in 1956—an increase of 1.5 million pounds from 1955. Most of the imports were from Argentina, Uruguay, Australia, Brazil, and the United Kingdom.

Meat extract is derived by concentrating the residue from meats cooked during processing. It is used for gravies, bouillon cubes, canned soups, and as flavoring in other canned and processed products.

## **Guatemala Buying More Purebred Dairy Cattle**

Guatemala has increased its dairy animal imports significantly. At least 1,000 registered purebred cattle were imported in 1956, compared with only 747 for the 10-year period 1944-53. Over half the 1956 imports were from the United States, Canada supplied about 400 head, and Costa Rica supplied a few brown Swiss.

## **Wool-Mohair Company Organized in Turkey**

The Turkish Wool and Mohair Company (a joint stock corporation) has been formed to produce merino wool for the domestic industry and to work with the other organizations in

the wool and mohair industry. The company will raise its own sheep and angora goats, and provide services to other growers. It also plans to encourage production of better quality raw materials by offering premiums and rewards to producers.

## **Yugoslav Lard Production Down**

Yugoslavia is continuing its policy to produce meat-type hogs and to market hogs at lower weights. Under this policy 1956 lard production was down 15 percent from 1955 and it is expected to be down even more this year. This should necessitate increased lard imports.

## **India's Tea Exports Set New Record**

India's 1956 tea exports of 516 million pounds were 12 million pounds higher than the previous record set in 1953. The United Kingdom was the best customer, taking 366 million pounds and the United States was second, taking 28.5 million. Canada, Egypt, and Australia took substantial quantities. It is reported that the USSR also bought a sizable amount.

## **Surinam Alters Dairy Product Import Duties**

Surinam has changed dairy product duties to an ad valorem basis under a new tariff schedule.

Butter and ghee (formerly 3.8 cents per pound) are now dutiable at 30 percent ad valorem for butter and 20 percent for ghee.

Cheeses are now classified in two groups. The first group—including dessert cheeses, blue-green veined cheeses, and cheeses mixed with meat, vegetables, or herbs—carries a 40-percent ad valorem duty. All others carry 5 percent.

Processed milks (formerly lumped together) are now classified separately. Condensed milk duties are: 20 percent ad valorem without sugar; 25 percent with sugar; and 40 percent for condensed cream. The ad valorem duty on dried milk is 20 percent and on dried cream, 40 percent.

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### **Canadians Eating Dutch Cheese**

Canadians are eating more Dutch cheese than ever before in Canada's history. Total 1956 imports reached an all-time high of over a million pounds. This was attributed to expanded Canadian-Netherlands trade relations and increased promotion. The Holland Cheese Exporters Association distributed free samples of Dutch cheese in Canada and reported immediate and favorable responses from Canadian consumers.

### **Argentina Frees Seed and Peanuts**

Argentina freed sunflower seed and peanuts for private trading in March 1957. The Minister of Commerce and Industry will fix export quotas when necessary to assure adequate domestic supplies. When prices fall below established floor levels the National Grains Board will buy up any quantities offered.

### **Norwegian Fish Oil Output Drops Sharply**

Norway's 1957 catch of herring will be considerably less than the 1956 catch, according to preliminary estimates. And this year's production of herring oil is expected to be only

about two-thirds of last year's production. Bad weather seriously hampered fishermen throughout the herring season.

Herring and products (meal and oil) are an important part of Norway's export trade. They accounted for about 12 percent of the total exports in 1956. A reduction in the herring catch will directly affect Norway's buying power abroad.

### **Egypt Getting Meat From Communist China**

Egyptians will be eating frozen beef and mutton from Communist China this year. China and Egypt have concluded two agreements for the purchase of 7,651 metric tons and it is expected Egypt's takings for the year will total 10,000 to 15,000 tons. The first consignment of 1,148 tons has been received and sold to retailers at 17 cents U.S. equivalent per pound. Consumers are accepting it readily at 21.5 cents per pound.

### **Japan Imposes Duty On Soybean Meal**

On Apr. 1, 1957, Japan imposed a 5-percent duty on soybean meal. During 1956 Japan imported 7,665 short tons of soybean meal—mostly from the United States.

### **Japanese Expand Bread Promotion**

Two Japanese organizations (the Japanese Federation of Bakers Cooperative Association and the Federation of Housewives Organization) are stepping up bread promotion. They started off with a National Bread Festival featuring the slogan—"Eat Bread At Least Once a Day."

Japan's 1956 decline in bread production (which had tripled between 1949 and 1955) has been of considerable concern to Japanese bakers and retail baked goods merchants. It has been attributed to increased rice consumption resulting from 2 years of bumper rice crops.

### **U.S. Mohair Exports Continue Upward Trend**

U.S. mohair exports rose from 6.1 million pounds in 1955 to about 11.8 million in 1956. This is particularly significant because, as late as 1952, U.S. exports of mohair reached only about 24,000 pounds. Foreign demand for U.S. produced mohair has increased considerably in recent years. Major buyers in 1956 were the United Kingdom and the Netherlands—combined they took over 85 percent of the total U.S. exports. Present indications are that the United Kingdom will expand its imports again this year.